

Organizational Profile

P.1 ORGANIZATIONAL DESCRIPTION

P.1a. Organizational Environment

The Arizona Department of Transportation (ADOT) was established to “provide for an integrated and balanced state transportation system”, and is a public governmental agency operating under the laws of the State of Arizona. ADOT’s two primary functions requiring the greatest percentage of its resources are: 1) providing for the design and construction of transportation facilities pursuant to a priority plan (Arizona Revised Statutes 28-332.B.3), and 2) registering motor vehicles, collecting revenues, and licensing drivers (Arizona Revised Statutes 28-332.B.1.). The priority planning for ADOT and its major focus, established by the Governor’s Office, is to complete the construction of the Regional Freeway System in Maricopa County in 2007, rather than the originally planned 2014.

The seven-member Arizona State Transportation Board acts in an advisory capacity to the ADOT director and has final decision-making authority concerning certain aspects of the highway system, distribution of monies, issuing of bonds, determining priorities, and ultimately adopting the five-year construction programs.

Mary Peters, ADOT’s Director, is appointed by the Governor with the advice and consent of the Arizona State Senate. She is directly responsible to the Governor. Victor Mendez serves as ADOT’s Deputy Director and John Bogert is the Chief of Staff. The Department provides a State Transportation Infrastructure, which encompasses planning, design, construction and maintenance of highways and rest areas, aircraft registration, administration of public programs such as Public Transit, licensing and registering motor vehicles and operators, and revenue collection and management. The Department is organized into the following Divisions:

Intermodal Transportation Division (ITD) - Provides the design, construction, maintenance and operation of the State Highway Infrastructure.

Motor Vehicle Division (MVD) - Provides services to customers such as driver licensing, vehicle titling and registration, enforcement of weight and registration laws, and maintenance of motor vehicle records.

Transportation Services Group (TSG) - Provides administrative and operational services in the areas of

financial management, information technology, human resources, procurement, facilities and equipment services, audit and analysis, employee development, community relations, employee safety and health, civil rights, and budgeting and strategic planning. The world-renowned Arizona Highways magazine also operates within the Transportation Services Group.

Aeronautics Division (Aero) - Provides the planning, development, maintenance and operation of the Statewide Aviation System, including the registration of aircraft.

Transportation Planning Division (TPD) - Provides transportation planning services including priority programming, local government coordination, and transportation safety. They also conduct basic research in transportation policy matters.

ADOT’s stated mission is *"To provide a safe and efficient transportation system, together with the means of revenue collection and licensing for Arizona."* Its vision is to be *"the standard of excellence for transportation systems and services."* ADOT employees believe that *"Working together, we can make a difference"* and are guided by these supporting visions:

- Pay reflects performance and contribution and is competitive with industry.
- Employees enjoy their work and are valued, trusted, appreciated, and supported.
- Training, education and workforce development are among our top priorities.
- Leadership provides clear direction for the Department and an opportunity for all to participate in the decision-making process.
- We will consistently provide our customers with quality products and services.

ADOT employees are *"Employees being their best to do their best."* They developed and wrote their own set of corporate values, which have been shared and adopted throughout the Department.

ADOT Values

As ADOT employees, we demonstrate values in everything we do. We:

- *Create a safe, secure and trustworthy environment.*
- *Recognize and respect the value in our lives outside ADOT.*
- *Motivate one another to continuous achievement and growth through unity and impartiality.*
- *Practice quality in our work, take pride in our results, recognize and reward performance.*
- *Exhibit respect, honesty, fairness, consideration and integrity in all we do.*
- *Exercise personal responsibility by using our freedom to communicate, make decisions and take action in a supportive team environment.*
- *Protect and conserve our resources: people, time and property.*

Employee Profile

ADOT has approximately 5,000 employees who are located in a variety of facilities throughout the state. The workforce has 6% part-time, seasonal and temporary employees. Outside contractors provide design services, highway construction, and maintenance. The full-time ADOT workforce consists of: administrators and professionals (27%), administrative support (10%), protective support (1%), paraprofessionals (28%), and technicians, skilled craftsmen and maintenance workers (34%). Employee skill levels and knowledge range from clerical to high level engineering, financial, and administrative capability. The employee population is culturally diverse and is demographically representative of the state as a whole.

Technologies

The most highly visible advanced technology for ADOT is the Freeway Management System that communicates messages to metro Phoenix travelers through changeable message signs, ramp-metering sensors, and a closed circuit television system, which all connect through the Traffic Operations Center. The Department is considered a leader in this technology. One of ADOT's newest technologies is the computer-aided camera monitoring of traffic during construction projects helps to ensure a good traffic flow. ADOT is also a national leader in providing Internet and interactive voice response access for motor vehicle services.

Equipment

In addition to computers and computer aided drafting equipment, the Department utilizes approximately 4,500 pieces of equipment valued at approximately \$156 million. These include such things as generators, snowplows, trailers, cars, trucks and other heavy road construction equipment as well as specialized equipment, such as the Interstate Stripping Vehicle.

Facilities

ADOT owns, leases, and maintains over 1,400 buildings and structures, that include public MVD field offices; maintenance yards for highway materials, equipment and staff; equipment service shops; administrative offices; port-of-entry facilities; materials testing laboratories; construction offices; storage and warehouse structures; a specialized warehouse/shop for testing electrical signals; a sign manufacturing plant; and well and pump buildings. All facilities are located in Arizona, with most of the administrative offices being located in the Phoenix area. Ten district offices that oversee construction, maintenance and operations are strategically located throughout the state. There are four regional equipment services offices, 58 dual-function offices offering both title and registration and motor vehicle driver license services, and 22 ports-of-entry.

Regulatory Environment

State and federal statutes, regulations, and mandates significantly impact ADOT's operations. The Department operates under statutory restrictions on how public monies may be spent, and specific personnel statutes and rules which dictate the processes such as promotions, incentives and performance recognition in dealing with its employees. The State Legislature appropriates monies for agency operations primarily from the state Highway Fund, and enacts revenue and bonding legislation to support other agency programs. The Arizona Department of Administration (DOA) makes policy for employee benefits and compensation for all state agencies, including ADOT.

The Priority Programming Law outlined in Arizona Revised Statutes 28-111, provides guidelines for prioritizing aviation needs, road improvements, and highway projects, and establishes how the citizens of Arizona are able to participate in the process.

ADOT is also governed by federal legislation that provides the funding for various federal-aid systems including interstate, primary, secondary, and urban freeway systems. The federal government usually authorizes funding for a four- or five-year period, which allows the Department to plan for spending.

Safety

Safety is of utmost importance to the Department and its employees. Most employees work in an office environment, however, of those in the field, a high percentage work in potentially dangerous conditions having an accumulated 9,271,000 hours of exposure to risk annually. Employees with a higher exposure to risk work primarily in highway construction, maintenance, facilities maintenance, equipment services shops, MVD enforcement, natural resources, and Information Technologies.

ADOT operates under regulations from entities such as the National Occupational Safety and Health Association, the Mining Safety and Occupational Health Agency, the Arizona Department of Environmental Quality, the National Fire Protection Agency, and the State Department of Emergency Management, as well as those safety policies, procedures, and programs promulgated by ADOT's own Safety Office.

Accreditation and Certification Requirements

ADOT encounters a wide variety of accreditation and certification requirements in the fields of civil, mechanical, structural, electrical, and computer engineering. Other accreditations and certification requirements exist in the areas of finance, audit safety, industrial, environmental, landscape, and MVD enforcement. Some examples are Peace Officer Certifications for MVD enforcement personnel, and Professional Engineer Certifications for bridge designers.

Environmental

ADOT is subject to various state and federal laws requiring it to take specific steps in order to mitigate the environmental impacts of its activities. The National Environmental Policy Act, and similar laws, requires the assessment of the effects of significant federal transportation actions or federal-aid projects on the environment. Arizona laws also regulate many of the environmental aspects of ADOT's activities, including extensive studies of archeological sites, air quality monitoring, and research relative to how ADOT's construction projects impact the migration and habitat of Arizona's wildlife. ADOT works closely with local governments and citizens, through the public input process, to ensure that all reasonable steps are taken to resolve the environmental concerns of the public.

Financial Regulations

The State Procurement Code regulates all purchases (other than design and construction contracts), and places limitations on supplier partnerships and procurement activities.

Product Regulations

Products and materials are tested and must meet stringent inspections before they are used in highway construction. In addition, all materials used in the driver license manufacturing process and the vehicle title production process, must also pass a strict adherence to specifications.

P.1b. Organizational Relationships

P.1b(1) Major Market Segments

The citizens of Arizona are the major market for the Department. ADOT, and its activities, directly and indirectly affects every resident and business in the state. Resident motor vehicle owners and operators use title and

registration and driver license services, and aircraft owners register planes.

The traveling public, which includes Arizona residents, tourists, and business travelers, use the state highway system. Commercial vehicles entering and passing through Arizona are checked at the ports-of-entry. Non-drivers can obtain identification cards, and voters can register at MVD offices. Most trade goods and consumer products (such as food, house-wares, and industrial products) are transported over the highway system for use by businesses, governmental offices, and individuals. ADOT, also, maintains driver record databases for immediate access by statewide law enforcement agencies.

Some of the government customers and stakeholders include the State Legislature, the Federal Highway Administration, the Federal Aviation Administration, local governments, and regional governments.

ADOT's customers are entitled to a safe, well-designed and maintained highway system, which is free from traffic congestion, hazards, and barriers, and is built on time and within budget. It should be attractive and free of weeds, litter, and graffiti. Construction work zones must be properly signed, and have minimum inconveniences to the traveler. A quick response time to clear and reopen a roadway in the event of an accident, hazardous material spill, or roadway hazard clean up is very important.

The public is interested in information that will make travel easier, that will inform them of construction locations and when closures will begin and end, what kind of delays to expect, and possible alternative routes. Customers visiting MVD offices expect quick, efficient, accurate, and friendly service for their licensing, title and registration business.

ADOT collects appropriate revenues from the motoring public, provides accurate revenue forecasting, maintains a high bond rating, and manages a well-designed investment program.

P.1b(2) Suppliers and Dealers

Both suppliers and partners directly impact ADOT's core business. ITD's key partners supply engineering consultants to design the State Transportation Infrastructure, and contractors to build it, as well as suppliers for materials and inspections services. MVD partners include the trucking industry, vehicle dealers, lending institutions, insurance companies, auto salvage firms, rental car companies, fleet owners, and driving instruction schools. In addition, MVD contracts with third parties to provide title and registration, driver license and vehicle inspection services to the public.

ADOT actively works to establish and maintain partnerships with key stakeholders such as the Arizona Motor Transportation Association, the Arizona Automobile Dealers Association, Arizona Correctional Industries, banking and lender associations, third party suppliers and the Arizona Independent Automobile Dealers Association. The Department has also established and maintains key supplier relationships in the areas of information systems support, process consultation, auditing services and education and training.

ADOT works closely with law enforcement agencies, other transportation agencies, and regulatory agencies in order to improve relationships. The Arizona Department of Public Safety (DPS) is one of ADOT's key partners; it receives funding from the Highway User Revenue Fund, and relies on ADOT for the communication of road closures and incident management and access to MVD databases for record and photo retrieval.

The Department is recognized as a leader in the area of partnering, which has become an important part of its culture. Since laws and their enforcement are important to it's business, ADOT's Legislative Office works with key public sector partners such as Federal and State Legislatures, as well as local communities. ADOT's Deputy Director heads the Arizona Transportation Quality Initiative, Arizona's chapter of the National Partnership of Highway Quality, a partnership of cities, counties, state, and private industry, which promotes transportation in Arizona.

The Intermodal Transportation Division partners with individual firms and organizations such as the Arizona General Contractors, Arizona Consultant Engineering Association, Arizona Rock Products Association, Arizona Correctional Industries, the U.S. Border Patrol, Bureau of Land Management, United States Forest Service. MVD partners with the third party providers who provide title, registration and driver license services to the public, US Border Patrol, all state motor vehicle agencies (via national database), and the federal motor carrier safety administration. The Highway Safety Team is a partnership effort to reduce traffic related injuries and fatalities in Arizona.

Communication Mechanisms

ADOT employs several methods for communicating with its suppliers and partners. Formal partnerships are established in meetings, and supplier relationships are established through the procurement bidding process. The Department communicates with other key partners by E-mails, letters, construction alert newsletters, and regular meetings. ADOT conducts open "town halls" in counties throughout the state to promote open discussion with customers, suppliers, and partners regarding transportation needs and issues. The human resource team publishes hiring and staffing announcements in newspapers

throughout the state, and partners with universities and other educational institutions to help provide a trained workforce. ADOT uses television, local newspapers, and radio to communicate updated information about local freeway closures, new freeway openings, and major transportation events affecting the public, and traffic and road conditions.

P.2 ORGANIZATIONAL CHALLENGES

P.2a. Competitive Environment

ADOT is one of the largest state agencies in Arizona, ranking third in the number of employees and fourth in budget size. The vehicle license tax and federal highway programs provide more than 75% of ADOT's revenue.

ADOT has very unique responsibilities, and no direct competition for its products and services. However, through competitive processes, ADOT contracts with outside firms for approximately 90% of its design engineering, and 100% of its highway construction projects.

The Department competes with other state Departments of Transportation for Federal Highway Administration funding, which directly impacts the construction and maintenance of Arizona's highway system. Locally, ADOT competes with cities and counties for monies from the Highway User Revenue Fund.

Two important factors that help determine ADOT's competitive success are Arizona's population growth and healthy economy. Revenues for the transportation system increase when the economy is strong and the population increases create additional drivers and vehicle registrations.

Innovative financing and public-private partnerships continue to play a key role in maximizing the resources needed to meet the transportation needs of the state.

P.2b. Strategic Challenges

ADOT's key strategic challenges are:

- **Safety** - To ensure the safety of both the highway worker and the public while maintaining over 6,000 centerline miles of roadway.
- **Congestion** - A variety of creative solutions are necessary to address this problem, especially in the urban areas.
- **Customer Service** - 1) Ensuring ease of access to services, 2) Identifying alternate service delivery methods, 3) Informing customers in a timely, accurate manner regarding services and roadway information,

and 4) Providing quality customer service to an increasing population.

- **Funding** - Securing dependable funding sources for building and maintaining the transportation system. This includes more effective revenue collection efforts and increased competitive advantages for Highway User Revenue Fund and Regional Area Road funding.
- **Reputation** - Enhancing ADOT's reputation to a broader community; improving the accessibility, timeliness and accuracy of information disclosed, and increasing public involvement earlier in the process where highway projects are involved.
- **Workforce** - Maintaining and enhancing institutional knowledge and experience, and developing and retaining future knowledge and experience to ensure a high performing workforce with the skill sets to meet the changing needs of the Department.
- **Population/Demographics** - The fast population growth, and the rapidly increasing elderly population contribute to demographic challenges. ADOT must accurately forecast transportation and other customer service needs based on population growth projections.
- **Environment** - Delivering a highway program on time and within budget while, at the same time, protecting and conserving the environment (air, water, wildlife, and all natural resources.)

Addressing these challenges requires ADOT to consider new methods, new/revised laws, multi-modal alternatives, new on-line services, extensive evaluation and research, public involvement, expanded use of alternate pay plans and process improvements.

ADOT must overcome these strategic challenges in order to attain its agency goals that are:

- Improve the movement of people and products throughout Arizona.
- Increase the quality, timeliness and cost effectiveness of our products and services.
- Develop and retain a high performing, successful workforce.
- Optimize the use of all resources.
- Improve public and political support necessary to meet Arizona's transportation needs.

P.2c. Performance Improvement System

Overall operational performance is evaluated by the executive and operations level staff with key objectives in the strategic plan being measured and discussed monthly. Gaps are identified, course corrections are generated, and

action plans are made with the due dates and task owners identified. In addition, teams (process improvement) of front-line workers in their natural work groups throughout the state have been trained and empowered to do process improvements related to performance measures.

ADOT leadership uses "breakthrough strategies" as methods to improve performance. The three breakthrough strategies are:

- **Measurements** - Develop and employ a measurement system that provides information for securing and allocating resources and *improving performance*.
- **Resources** - Allocate resources according to mandates, planned priorities, customer requirements, and a return on investment.
- **Workforce Development** - Align workforce development with priorities and business needs; design and implement the necessary training programs and delivery systems.

The Department utilizes performance-based incentive programs in its key operational areas: MVD customer services, highway construction, maintenance, procurement, and equipment services. All incentive programs operate as process improvement teams where the incentive pay is earned for generating hard dollar savings, eliminating or reducing costs, and improving customer services. Successes are reported monthly and shared throughout the state for implementation of process improvements, which increase the operational performance statewide.

ADOT uses the Malcolm Baldrige Criteria as part of a quick assessment process of organizational performance. The outcome is discussed at the executive, Core Team, and upper management operational levels. In May 2001, the Department chartered an organizational development steering committee, which is charged with overseeing projects that will result in the overall improvement of Department operations and processes.

The Department regularly involves all employee levels throughout the state in the strategic planning process, where overall performance is discussed and measures are evaluated and modified. The strategic planning process includes objective setting to meet organizational goals and resource identification.

ADOT's use and integration of performance evaluation and measurements at different levels throughout the Department, ensures that everyone is contributing to the overall operational performance.